

§ 2554.1

- 2554.32 How will the hearing be conducted and who has the burden of proof?
- 2554.33 How is evidence presented at the hearing?
- 2554.34 How is witness testimony presented?
- 2554.35 Will the hearing proceedings be recorded?
- 2554.36 Can a party informally discuss the case with the ALJ?
- 2554.37 Are there sanctions for misconduct?
- 2554.38 Are post-hearing briefs required?

DECISIONS AND APPEALS

- 2554.39 How is the case decided?
- 2554.40 How are penalty and assessment amounts determined?
- 2554.41 Can a party request reconsideration of the initial decision?
- 2554.42 When does the initial decision of the ALJ become final?
- 2554.43 What are the procedures for appealing the ALJ decision?
- 2554.44 What happens if an initial decision is appealed?
- 2554.45 Are there any limitations on the right to appeal to the authority head?
- 2554.46 How does the authority head dispose of an appeal?
- 2554.47 What judicial review is available?
- 2554.48 Can the administrative complaint be settled voluntarily?
- 2554.49 How are civil penalties and assessments collected?
- 2554.50 What happens to collections?
- 2554.51 What if the investigation indicates criminal misconduct?
- 2554.52 How does the Corporation protect the rights of defendants?

AUTHORITY: Pub. L. 99-509, Secs. 6101-6104, 100 Stat. 1874 (31 U.S.C. 3801-3812); 42 U.S.C. 12651c-12651d.

SOURCE: 72 FR 61912, Oct. 20, 2006, unless otherwise noted.

OVERVIEW AND DEFINITIONS

§ 2554.1 Overview of regulations.

(a) *Statutory basis.* This part implements the Program Fraud Civil Remedies Act of 1986, 31 U.S.C. 3801-3812 (“the Act”). The Act provides the Corporation and other federal agencies with an administrative remedy to impose civil penalties and assessments against persons making false claims and statements. The Act also provides due process protections to all persons who are subject to administrative proceedings under this part.

(b) *Possible remedies for program fraud.* In addition to any other penalties that may be prescribed by law, a person who submits, or causes to be submitted, a

45 CFR Ch. XXV (10-1-10 Edition)

false claim or a false statement to the Corporation is subject to a civil penalty of not more than \$5,000 for each statement or claim, regardless of whether property, services, or money is actually delivered or paid by the Corporation. If the Corporation has made any payment, transferred property, or provided services in reliance on a false claim, the person submitting it also is subject to an assessment of not more than twice the amount of the false claim. This assessment is in lieu of damages sustained by the Corporation because of the false claim.

§ 2554.2 What kind of conduct will result in program fraud enforcement?

(a) Any person who makes, or causes to be made, a false, fictitious, or fraudulent claim or written statement to the Corporation is subject to program fraud enforcement. A “person” means any individual, partnership, corporation, association, or other legal entity.

(b) If more than one person makes a false claim or statement, each person is liable for a civil penalty. If more than one person makes a false claim which has induced the Corporation to make payment, an assessment is imposed against each person. The liability of each such person to pay the assessment is joint and several, that is, each is responsible for the entire amount.

(c) No proof of specific intent to defraud is required to establish liability under this part.

§ 2554.3 What is a claim?

(a) Claim means any request, demand, or submission:

(1) Made to the Corporation for property, services, or money;

(2) Made to a recipient of property, services, or money from the Corporation or to a party to a contract with the Corporation for property or services, or for the payment of money. This provision applies only when the claim is related to property, services or money from the Corporation or to a contract with the Corporation; or

(3) Made to the Corporation which decreases an obligation to pay or account for property, services, or money.

(b) A claim can relate to grants, loans, insurance, or other benefits, and